

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LEVEE ROAD WATER ASSOCIATION

ALLEGED VIOLATION OF COMMISSION
REGULATION 807 KAR 5:066 and 807
KAR 5:006

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CASE NO. 95-129

ORDER

On August 17, 1995, the Commission entered an Order assessing Levee Road Water Association ("Levee") a \$500 penalty of which \$350 was suspended for a period of one (1) year from that date. The Order states that the \$350 portion of the penalty becomes due and payable immediately if, at any time during the one-year period, Levee fails to comply with all Commission regulations and the terms of its June 30, 1995 Settlement Agreement with Commission Staff ("Staff").

On September 13, 1996, Staff conducted its periodic inspection of Levee and on September 25, 1996 it provided Levee with a written report of the same. The report, attached hereto and incorporated herein as Appendix A, notes alleged violations of Commission Regulations 807 KAR 5:006, Section 3(2); 807 KAR 5:006, Section 17(4); 807 KAR 5:006, Section 24(3); and 807 KAR 5:066, Section 4(4).

On October 15, 1996, Staff received Levee's response to the inspection report. In its response, attached hereto and incorporated herein as Appendix B, Levee

discusses the actions it has taken to correct the noted deficiencies. Subsequently, Levee and Staff entered negotiations to address the violations. Levee is now in full compliance with Commission regulations.

On November 15, 1996, Staff received a letter from Levee which included a \$500 payment to the Commission. The letter, which is attached hereto and incorporated herein as Appendix C, states that the payment is "for the imposed fine."

On November 21, 1996, Staff received another letter from Levee, attached hereto and incorporated herein as Appendix D. In this letter, Levee states that \$350 of the \$500 payment is its payment of the \$350 portion of the penalty the Commission assessed it on August 17, 1995, which became due and payable immediately as a result of Levee's September 1996 violations. The remaining \$150, Levee states, is its offer to settle all issues raised by those violations.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that Levee's voluntary offer represents a reasonable and expeditious resolution of the Commission's informal investigation and should, therefore, be accepted.

IT IS THEREFORE ORDERED that:

1. Levee's settlement offer is accepted as a complete resolution of all issues and charges in this case.
2. This case is hereby closed.

Done at Frankfort, Kentucky, this 11th day of February, 1997.

PUBLIC SERVICE COMMISSION

Lydia K. Brethitt
Chairman

Elmer J. H. Hines
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 95-129 DATED FEBRUARY 11, 1997



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 25, 1996

Ms. Brenda Murphy
Secretary
Levee Road Water Association, Inc.
4681 Levee Road
Mt. Sterling, Kentucky 40353

Dear Ms. Murphy:

On September 13, 1996, a periodic inspection was made of Levee Road Water Association, Inc. by Nicky Moore, Utility Investigator with the Public Service Commission. The comments on this inspection have been condensed into a report, which is being sent herewith in the interest of obtaining your response. We would appreciate receiving your response to this report no later than October 25, 1996.

Please feel free to call Mr. Moore at (502) 564-3940, Ext. 414, for any clarification you may need on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eddie B. Smith".

Eddie B. Smith, Manager
Water & Sewer Branch
Division of Utility Engineering
& Services

EBS:NM:aem
Attachment

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Levee Road Water Association, Inc.
Mt. Sterling, Kentucky

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made September 13, 1996. The utility consists of a distribution system operating in Montgomery County, Kentucky. It has approximately 600 customers on its system. The utility representatives providing information and assistance during this inspection were Brenda Murphy and Marjorie Barnett of the Association.

The Association's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

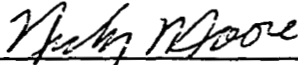
1. The utility is not filing the periodic ("Quarterly") meter report with the Commission as required in accordance with 807 KAR 5:006 Sec.3(2).

2. The utility is storing its meter test and historical data on a computer storage and retrieval system; however, the utility has not notified the Commission of this pursuant to 807 KAR 5:006 Sec.17(4).
3. The utility has adopted a safety program; however, this program does not provide for instruction of its employees in accepted methods of artificial respiration in accordance with 807 KAR 5:006 Sec.24(3).
4. The utility's minimum storage capacity for its distribution system is not equal to the average daily consumption as required by 807 KAR 5:066 Sec.4(4).

Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt of this report. This response should say what has been done or what will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,
September 25, 1996



Nicky Moore
Utility Investigator

2/21

NM:aem

APPENDIX B
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 95-129 DATED FEBRUARY 11, 1997

LEVEE ROAD WATER ASSOCIATION, INC.

P.O. BOX 770

MT. STERLING, KENTUCKY 40353

OCTOBER 11, 1996

RECEIVED

OCT 15 1996

DIVISION OF UTILITY
ENGINEERING & SERVICES

DEAR MR. MOORE;

RE: UTILITIES DEFICIENCIES SUBJECT TO INSPECTION SEPTEMBER 13, 1996

1. PERIODIC REPORT FILING OF METERS;

Our Secretary, Ms. Barnett is in the process of sending our 3rd quarter report before October 1, 1996.

2. REQUIRED NOTIFICATION OF HISTORICAL DATA ON OUR COMPUTER SYSTEM TO THE COMMISSION;

Our water system has just begun new computer operations this year with billing and data storage of system operations. Please allow this response to compensate for notification to the commission of our procedures of operations.

3. SAFETY PROGRAM INSTRUCTIONS;

Mrs. Barnett, office clerk, is scheduled to attend her annual CPR class in November 1996 to maintain her certification.

4. DAILY STORAGE CAPACITY OF SYSTEM:

OUR WATER SYSTEM UNDERWENT AN EXPANSION AND UPGRADING PROJECT IN 1995-96. DURING THIS PROJECT, OUR STORAGE TOWER WAS UPGRADED TO A MID-POINT SYSTEM STORAGE TOWER. THE FIRST SECTION OF OUR SYSTEM IS CURRENTLY USING THE STORAGE TOWER LOCATED NEAR THE BEGINNING OF OUR SYSTEM, THUS ALLOWING THE MIDPOINT TOWER LOCATION TO SUPPLY THE REMAINDER OF OUR SYSTEM WITH REQUIRED STORAGE CAPACITY.

RESPONSE TO INSPECTION: MR. NICKY MOORE DOES A VERY COMMENDABLE JOB FOR PSC.

LEVEE ROAD WATER ASSOCIATION,

Brenda Murphy
Director & Secretary

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 95-129 DATED FEBRUARY 11, 1997

LEVEE ROAD WATER ASSOCIATION
P.O. BOX 770
MT. STERLING, KENTUCKY 40353

RECEIVED

NOV 15 1996

GENERAL COUNSEL

NOVEMBER 8, 1996

TO WHOM IT MAY CONCERN:

PLEASE FIND ENCLOSED A CHECK FOR \$500.00 FOR THE IMPOSED FINE
FOR OUR SYSTEM'S FAILURE TO COMPLY TIMELY WITH REGULATIONS INVOLVING
QUARTERLY METER CHECK REPORTS.

THESE REPORTS WERE FILED WITH THE COMMISSION, BUT NOT IN A TIMELY
MANNER. OUR SYSTEM WILL STRIVE TO FILE IN A TIMELY MANNER IN THE FUTURE.

SINCERELY,

Brenda Murphy

LEVEE ROAD WATER ASSOCIATION
SECRETARY, BOARD MEMBER

LEVEE ROAD WATER
ASSOCIATION, INC.
REVENUE AND OPERATION FUND
P.O. BOX 770 PH. 606-498-6980
MT. STERLING, KY 40353

5346

DATE *Nov-6-96* 73-151/421

PAY
TO THE
ORDER OF

Public Service Commission

\$ *500.00*

Fine hundred no 1

DOLLARS ☒ ☐ ☐

MT MONTGOMERY
TRADERS BANK & TRUST COMPANY
MAIN & BANK STREETS, P.O. BOX 328
MT. STERLING, KY 40353

FOR *Five - Meter check reports*

Brenda Murphy
Jessie Lusk

⑈005346⑈ ⑆042101514⑆ 40011521⑈

APPENDIX D

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 95-129 DATED FEBRUARY 11, 1997

LEVEE ROAD WATER ASSOCIATION
P O BOX 770

MT. STERLING, KENTUCKY
40353

RECEIVED

NOV 21 1996

GENERAL COUNSEL

NOVEMBER 15, 1996

DEAR MS. WADE,

THIS LETTER IS A FOLLOW UP ADVISE CONCERNING OUR \$500 DOLLAR
PAYMENT TO THE COMMISSION.

IN SETTLEMENT AGREEMENT IN CASE 95-129, WE ARE PAYING THE \$350.00
AMOUNT THAT WAS ORGINALLY WAIVED, DUE TO OUR UNTIMELY FILING OF OUR
METER RECORDS, CAUSING US TO BE IN NON COMPLIANCE OF THIS AGREEMENT.

IN OUR OFFER TO SETTLE WITH OUT FORMAL HEARINGS WITH THE COMMISSION
DUE TO OUR UNTIMELY FILING OF METER RECORDS, WE ARE SENDING OUR IMPOSED
FINE OF \$150.00.

LEVEE ROAD WATER ASSOCIATION


SECRETARY, BOARD MEMBER